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## Modification Notice

### Section 1: Contracting authority

#### Official name and address of the contracting authority

Name of organisation: Department for Education

Address: Sanctuary Buildings, 20 Great Smith St, Westminster, London, SW1P 3BT

Internet address (URL): [www.gov.uk](http://www.gov.uk)

### Section 2: Object of the contract

**2.1.1 Title of the contract:** DfE Microsoft Azure

**Reference:** Contract\_6084

**2.1.2 Main CPV Code** ([CPV codes](#)) : 48517000-5 IT software package

**2.2.2 Additional [CPV code\(s\)](#):** Not Applicable

**2.2.3 Place of performance** Any Region

**2.2.4 Description of the procurement:** (maximum 4000 characters including spaces)

This Order Form is for the provision of the Call-Off Deliverables and dated 1<sup>st</sup> June 2020.

It's issued under the Framework Contract with the reference number RM6068 for the provision of Technology Products and Associated Services.

CALL-OFF LOT(S):

- Lot 3 Software & Associated Services

The notice is for the provision of Microsoft Azure and a management platform for the software.

**2.2.7 Duration of the contract, framework agreement or dynamic purchasing system**

Either:

- Exact duration in months.

Or

- Start and end dates:
  - CALL-OFF START DATE: **1<sup>st</sup> June 2020**
  - CALL-OFF EXPIRY DATE: **31<sup>st</sup> May 2024**
  - CALL-OFF INITIAL PERIOD: **4 years**

#### **2.2.13 Information about European Union funds:**

The procurement is related to a project and/or programme financed by European Union funds (select yes or no):

Yes – Please identify the project

No

#### **Section 4:**

##### **4.2.1 Previous publication concerning this procedure:**

Prior Information Notice (insert details, FTS number, date published)

Contracts Notice (insert details) tender\_237759/888449 PUBLISHED  
21/9/2020 ON CONTRACTS FINDER DfE Microsoft Azure - Contracts Finder,  
ITT 187

#### **Section 5: Award of contract/concession**

##### **5.2.1 Date of contract award: 01/06/2020**

##### **5.2.2 Information about tenders:**

The contract has been awarded to a group of economic operators .

No

Total number of economic operators if answer is yes: Not Applicable

##### **5.2.3 Details of successful bidder(s) (name, address, postcode):**

THE SUPPLIER: **Bytes Software Services Limited**

SUPPLIER ADDRESS: **Headway House, 15-17 Chessington Road, Ewell,  
KT22 7TW**  
REGISTRATION NUMBER: **01616977**  
DUNS NUMBER: **225273754**

**Is the contractor an SME?:** No

**5.2.4 Value of contract(s):**

£ 45,450,000

**Section 6: Complementary information**

**6.3 Additional information** (max 4000 characters inc spaces):

**6.4.1 Review body**

Official name: Not Applicable

Address: Not Applicable

E-mail: Not Applicable

**6.4.3 Review procedure**

Precise information on deadline(s) for review procedures (max 4000 characters inc spaces): Not Applicable

**Section 7: Modifications to the contract**

**7.1 Description of the procurement after the modifications:** no change to the original procurement so all previous responses still apply

**7.1.2 Main CPV code** 48517000-5 IT software package

**7.1.2 Additional CPV code(s)** Not Applicable

**Description of the procurement: (maximum 4000 characters including spaces) No procurement undertaken, the authority exercised its rights to rely on Regulation 72 Modification of contracts during their term**

**72.—(1)** Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:—

(b)for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i)cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or

(ii)would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract;

**Duration of the contract, framework agreement or dynamic purchasing system** It's issued under the Framework Contract with the reference number RM6068 for the provision of Technology Products and Associated Services.  
**CALL-OFF LOT(S):**

○ Lot 3 Software & Associated Services

The notice is for the provision of Microsoft Azure and a management platform for the software.

#### **7.1.4**

Either

- Exact duration in months.

Or

- Start and end dates:
- Start and end dates:
  - CALL-OFF START DATE: **1<sup>st</sup> June 2020**
  - CALL-OFF EXPIRY DATE: **31<sup>st</sup> May 2024**
- CALL-OFF INITIAL PERIOD: **4 years**

**7.1.6 Value of contract(s): £45,450,000 ex VAT**

**7.1.7 Details of successful bidder(s) (name, address, postcode):**

THE SUPPLIER: **Bytes Software Services Limited**

SUPPLIER ADDRESS: **Headway House, 15-17 Chessington Road, Ewell, KT22 7TW**  
REGISTRATION NUMBER: **01616977**  
DUNS NUMBER: **225273754**

**Is the contractor an SME?:** No

**7.2 Description of the modifications - Nature and extent of the modifications with indication of possible earlier changes to the contract** (maximum 4000 characters including spaces):

This modification notice details amending the Original Contract as follows:

**Uplift the contract value by £22,725,000 from £45,450,000 ex VAT to maximum value of £68,175,000 ex VAT.**

The minimum commitment will be £60 million. The Department commits to £60 million with a £68,175,000 maximum contract value based on consumption.

All other commercial terms are as per the original contract. Save as herein amended, all other terms and conditions of the Contract inclusive of any previous Variations shall remain in full force and effect.

**7.2.2 Reasons for modification**

Either

- Need for additional works, services or supplies by the original contractor (Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor maximum 1000 characters including spaces):

We are unable to access another MOU or onboard another reseller without incurring a substantial cost increase of circa £5m for the final year of the service coverage

Bytes (the reseller) provide a Cloud Investment Management Service and Quantum for Azure as significant value adds. Quantum is an analysis tool providing insights into Azure spend and usage which is not provided by other suppliers.

The economic advantage is the 18% discount offered for year 4 against pricing secured 3 years ago. The MOU sourced from is no longer available and pricing has increased significantly (approx. 15%). As no MOU is currently accessible until summer

next year, we would need to contract as a single entity, removing any economies of scale previous benefit from.

- or
- Need for modification brought about by circumstances which a diligent contracting authority could not foresee. (Description of the circumstances which rendered the modification necessary and explanation of the unforeseen nature of these circumstances maximum 1000 characters including spaces) :

### **7.2.3 Increase in price**

- Updated total contract value before the modifications (taking into account possible earlier contract modifications and price adaptations.

**£ 45,450,000 ex VAT**

- Total contract value after the modifications.

**Uplift the contract value by £22,725,000 from £45,450,000 ex VAT to maximum value of £68,175,000 ex VAT.**